

# California Healthy Food Financing Initiative Council: *The California FreshWorks Fund*

December 4, 2012

CALIFORNIA FRESHWORKS FUND



# What is the FreshWorks Fund?

The California FreshWorks Fund is a public-private partnership loan and grant fund created to finance grocery stores and other forms of healthy food retail and distribution in underserved communities throughout California. It is modeled after the PA Fresh Food Financing Initiative and has been developed to align with the National Healthy Food Financing Initiative.

---

**Fund Size:** \$272.8 million

**Uses of Capital:** Loans & Grants

**Capitalization:** Debt & Grants

**Program Eligibility:** CA Healthy Food Retailers & Distributors  
Must serve low/moderate income communities with low access to healthy food retail

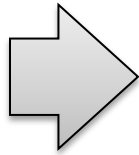
---

CALIFORNIA FRESHWORKS FUND



# FreshWorks Fund Goals

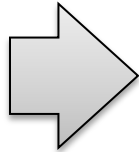
**Access**



---

Increase access to healthy food as a means to improve health outcomes.

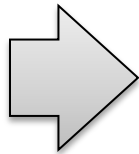
**Economic  
Development**



---

Spur economic development that supports healthy communities

**Innovation**

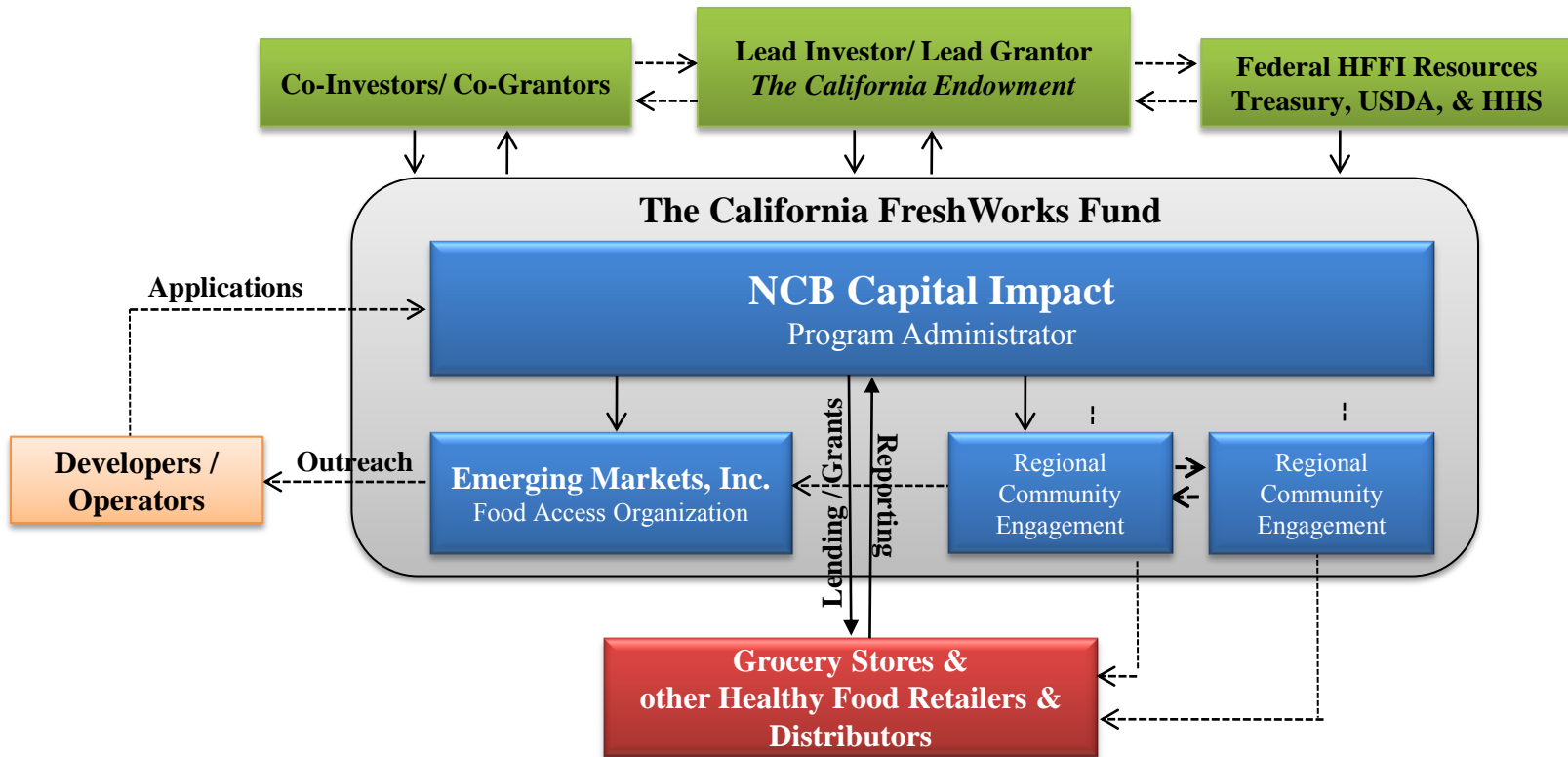


---

Encourage innovation in healthy food retailing and distribution

---

# FreshWorks Fund Initiative Structure



CALIFORNIA FRESHWORKS FUND



# FreshWorks Fund Partners

## Industry

Unified Grocers  
CA Grocers Association  
Emerging Markets, Inc.

## Nonprofit

PolicyLink  
Community Health Councils  
Social Compact

## Government

State of California  
CRA of Los Angeles  
USDA Rural Development  
CDFI Fund

## Investors

The California Endowment  
NCB Capital Impact  
JP Morgan Chase  
Kaiser Permanente  
Kellogg Foundation  
National Healthy Food  
Financing Initiative (HFFI)

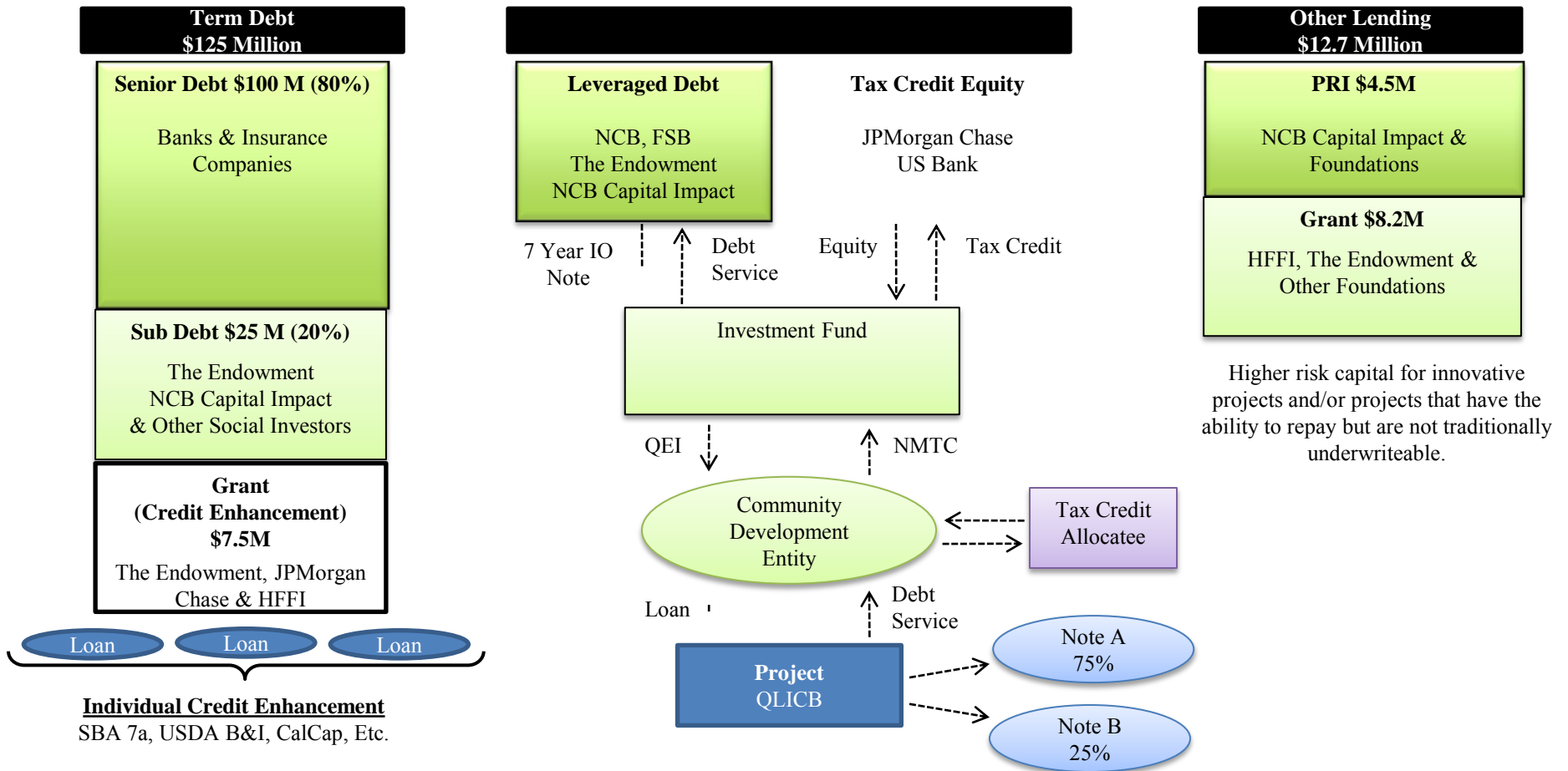
Bank of America  
Bank of America Foundation  
Calvert Foundation  
Charles Schwab Bank  
Citi  
Dignity Health  
First 5 LA

JPMorgan Chase Foundation  
MetLife  
Morgan Stanley  
NCB, FSB  
Opportunity Finance Network  
US Bancorp CDC

CALIFORNIA FRESHWORKS FUND



# FreshWorks Fund Capital Structure



CALIFORNIA FRESHWORKS FUND



# FreshWorks Fund Lending Overview

**Loans up to \$8 million to finance projects that create or expand healthy food retail in low access areas:**

## Capital Projects

- Building / land acquisition, to 90% LTV based on 1<sup>st</sup> DoT
- New Construction / Expansion, to 90% LTV based on 1<sup>st</sup> DoT
- Tenant Improvements, to 60% LTV, based on leasehold collateral value

## Equipment

- New equipment, up to 100% of cost
- Used equipment, up to 60% of appraised value

## Working Capital

- Inventory, up to 35% of gross value
- Other working capital, based on demonstrated need, ability to repay, and available collateral

CALIFORNIA FRESHWORKS FUND



# FreshWorks Fund Grants Overview

**Grants from \$25,000 - \$50,000 for projects with demonstrated need, to support priority areas:**

## Innovation

- Innovative projects with high potential to increase food access
- Innovations in product placement and merchandizing
- Write down costs for projects that are otherwise infeasible

## Workforce Development and Local Hiring

- Outreach, recruitment and hiring activities for local hiring
- Employee training programs for local hiring

## Predevelopment

- Early costs for capital projects, such as market studies, appraisals
- Predevelopment grants may be recoverable for projects that successfully obtain permanent financing

CALIFORNIA FRESHWORKS FUND

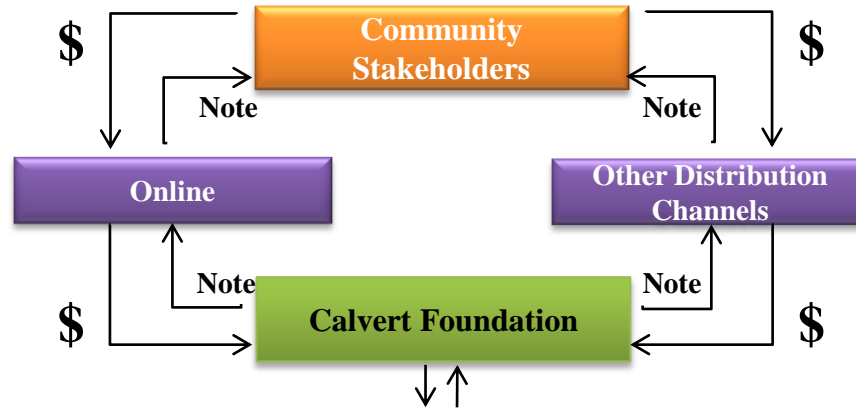




# FreshWorks Initiative Community Investment Note

The California FreshWorks Fund Initiative provides investors with a way to support CAFWF through the purchase of Calvert Foundation's Community Investment Note.\* This will allow stakeholders across California to support healthy food access and economic development in underserved communities. Notes are available online, in brokerage accounts, and with a check and application.

Min Investment: \$20  
Rate & Terms: 0.5% for 1 yr  
1.0% for 3 yrs



Min Investment: \$1000  
Rate & Terms: 0.5% for 1 yr  
1.0% for 3 yrs

Total Investors: 620  
Total Value of Investment: \$310,111  
Avg. Investment: \$500

[www.calvertfoundation.org/healthyfood](http://www.calvertfoundation.org/healthyfood)

## CALIFORNIA FRESHWORKS FUND



\* Calvert Social Investment Foundation, a 501(c)(3) nonprofit, offers the Community Investment Note, which is subject to certain risks, is not a mutual fund, is not FDIC or SIPC insured, and should not be confused with any Calvert Group-sponsored investment product. This slide is neither an offer to sell nor a solicitation of an offer to buy these securities; the offering is made only by the prospectus, which should be read before investing.

# Fund Metrics

**362,149**

People with  
increased access to  
healthy food

**\$18 Million**

Capital deployed

**501**

Jobs supported



CALIFORNIA FRESHWORKS FUND



# Northgate Gonzalez Market

City Heights Neighborhood, San Diego

**119,000**

People with  
increased access to  
healthy food

**42,625 sq. ft.**

Full service grocery  
store

**122**

New jobs created



CALIFORNIA FRESHWORKS FUND



# Northgate Gonzalez Market

## Inglewood

**105,080**

People with  
increased access to  
healthy food

**30,000 sq. ft.**

Full service grocery  
store

**110**

New jobs created



CALIFORNIA FRESHWORKS FUND





# Mandela Marketplace

## West Oakland

**20,000**

People with  
increased access to  
healthy food

**2,000 sq. ft.**

Neighborhood  
market

**8**

Employees



CALIFORNIA FRESHWORKS FUND



# El Rancho Marketplace

Pismo Beach / Grover Beach

**50,052**

People with  
increased access to  
healthy food

**39,498 sq. ft.**

Full service grocery  
store

**175**

New jobs created



CALIFORNIA FRESHWORKS FUND



# Opportunities for Collaboration

1. **Targeted outreach** to assist with identifying investment opportunities.
2. **Alignment of financial resources** to help bring down the cost of FreshWorks capital.
3. **Alignment of incentives** like State Enterprise Zones, tax credits, and others to prioritize healthy food financing projects.

# Contacts

## **Program Administrator:**

### **NCB Capital Impact**

1333 Broadway, Suite 602  
Oakland, CA 94612

**Contact:** Scott Spote, Chief Lending Officer,  
Community Investment Group

510-496-2233

[SSpote@ncbcapitalimpact.org](mailto:SSpote@ncbcapitalimpact.org)

**Contact:** Catherine Howard, Senior Program  
Manager California FreshWorks Fund

510-496-2235

[CHoward@ncbcapitalimpact.org](mailto:CHoward@ncbcapitalimpact.org)

[www.ncbcapitalimpact.org/healthyfoods](http://www.ncbcapitalimpact.org/healthyfoods)

## **Food Access Organization:**

### **Emerging Markets, Inc.**

1024 North Orange Drive, Suite 120  
Los Angeles, CA 90038

**Contact:** Daniel Tellalian, Director  
323.465.0406

[dtellalian@emergingmarkets.us](mailto:dtellalian@emergingmarkets.us)

**Contact:** Veronica Saldaña, Business Development  
Officer California FreshWorks Fund

323-465-0406

[vsaldana@emergingmarkets.us](mailto:vsaldana@emergingmarkets.us)

[www.emergingmarkets.us](http://www.emergingmarkets.us)

CALIFORNIA FRESHWORKS FUND







# FRESH WORKS™

THE CALIFORNIA FRESHWORKS FUND

Healthy Food. Closer To Home.

[www.CAFreshWorks.com](http://www.CAFreshWorks.com)